



**HYGENCO**

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HYGENCO/2022/CEERC/01

15.02.2022

To,

Mrs. Shilpa Agrawal  
The Joint Chief, Engineering  
Central Electricity Regulatory Commission  
3 rd & 4 th Floor, Chanderlok Building,  
36, Janpath, New Delhi- 110001

Subject: Comments/suggestions of Hygenco Private Limited with respect to Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021

Dear Mam,

At the outset, we are pleased to convey our regards and appreciation for your initiatives to encourage private sector participation at I level.

We wish to introduce Hygenco Private Limited (hereinafter referred as "Hygenco"), a company incorporated under Companies Act 1956 and a generating company within the meaning of Section 2(28) of the Electricity Act 2003, Hygenco aims to be a global leader in deploying Green Hydrogen and Green Ammonia powered industry solutions.

We hereby submit our comments as Annexure 1, on aforesaid draft GNA Regulation as published on the website of the Hon'ble Commission, for the kind consideration and necessary action by this Hon'ble Commission.

We sincerely request the Hon'ble Commission to consider these suggestions/requests while finalising the aforementioned regulations.

We look forward to your guidance.

Yours sincerely

For Hygenco Private Limited

(Anand Kumar)  
Senior Manager – Regulatory and Policy Affairs



COMMENTS ON DRAFT CENTRAL ELECTRICITY REGULATORY COMMISSION (CONNECTIVITY AND GENERAL NETWORK ACCESS TO THE INTER-STATE TRANSMISSION SYSTEM) REG, 2021.

S. No.	Clause No of Proposed GNA Reg	Suggestions/Observations
1	<p>3.2. Each application for grant of Connectivity shall be accompanied by a non-refundable application fee of Rs.5 lakh along with applicable taxes.</p> <p>Each application for grant of GNA shall be accompanied by a non-refundable application fee of Rs.5 lakh along with applicable taxes.</p>	<p>This is to be submitted that as per Clause 3.2 of Draft GNA Reg as proposed by Hon'ble CERC an applicant must submit application fee along with applicable tax for getting connectivity and as well as for getting GNA access to ISTS.</p> <p>As per Clause 8 of Draft GNA Regulation an applicant must submit bank guarantee for getting connectivity with ISTS. As Green hydrogen can play an important role in India's decarbonisation efforts, particularly in its industrial, transport and power sectors. In line of mentioned cause, we request Hon'ble Commission to include promotional provisions for Green Hydrogen projects and reduce the application fee for getting connectivity with ISTS for Green hydrogen projects upto 2 Lakh per application.</p>
2	<p>4.1 ... (e) REGS or standalone ESS with an installed capacity of 5 MW and above, applying for grant of Connectivity to ISTS through the electrical system of a generating station already having Connectivity to ISTS:</p>	<p>This is to be submitted that Clause 4.1 states about eligibility criteria for getting connectivity with ISTS. As per Clause 4.1(e) any REGS or standalone ESS with an installed capacity of 5MW and above applying for connectivity to ISTS through electrical system of a ISTS connected generating station are also eligible for connectivity.</p> <p>In this regard We request Hon'ble Commission to allow REGS or standalone ESS with an installed capacity of 1 MW and above for getting ISTS connectivity through electrical system of a generating station already connected to ISTS. This will give opportunity to small renewable projects to reap in benefits as proposed by Hon'ble Commission at ISTS level through this Draft GNA Reg. This is also in line with open access criteria as followed in various states with limit 1 MW or above.</p>
3	<p>5.1.... Provided further that if such an Applicant is a Renewable Hybrid Generating Station, it may apply for grant of Connectivity for a quantum less than or equal to the installed capacity.</p>	<p>This is to be submitted that as per second proviso of Clause 5.1 of Draft GNA Reg Renewable Hybrid Generating Projects are eligible for connectivity with ISTS for quantum less than or equal to installed capacity.</p> <p>Clause (ah) of aforesaid Regulations defines Renewable Hybrid Generating Stations which is reproduced as below:</p> <p>"Renewable Hybrid Generating Station" or "RHGS" means a generating station based on hybrid of two or more renewable source(s) of energy with or without Energy Storage System, connected at the same inter-connection point"</p> <p>We appreciate that Hon'ble Commission has given impetus on encouragement of Hybrid projects based on renewable sources through above mentioned provisions, however we seek clarification about minimum capacity</p>

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		<p>limit on installed capacity of individual RE sources, as applicable in case of RE Hybrid projects which are based on hybrid of two or more renewable sources, and eligible for ISTS connectivity.</p> <p>We wish to highlight that in November 2021 COP26 concluded in Glasgow with all countries including India agreeing the Glasgow Climate pact. India assured its cooperation to tackle climate change in earnest. Hon'ble Prime Minister Shri Narendra Modi announced an ambitious target which include raising non-fossil fuel-based energy capacity to 500 GW, lowering total projected carbon emission by one billion tonnes, and meeting 50% of the country's energy needs through renewable sources.</p> <p>In this regard We wish to submit that we believe that Green Hydrogen will be one of impactful solution to achieve net zero emissions by 2070 as targeted in COP26. In this regard we request Hon'ble Commission to include provisions specific for Green Hydrogen projects promotion, which are willing for ISTS connectivity.</p>
4	<p>5.6. An Applicant may apply for grant of Connectivity at (i) a terminal bay of an ISTS sub-station already allocated to another Connectivity grantee or (ii) switchyard of a generating station having Connectivity to ISTS, with an agreement duly signed between the Applicant and the said Connectivity grantee or the generating station having Connectivity to ISTS, as the case may be, for sharing the terminal bay or the switchyard and the dedicated transmission lines, if any. The applicable Connectivity Bank Guarantee as per Regulation 8 of these regulations shall be submitted by such Applicant.</p>	<p>This is to be submitted that Clause 5.6 of Draft GNA Regulations as proposed by Hon'ble CERC states about connectivity at terminal bay of an ISTS sus-station. We wish to appraise Hon'ble CERC for allowing such provisions and making interstate open access more viable solutions for private players.</p> <p>We wish to request Hon'ble Commission to include provisions advising CTU to publish list of substations available for ISTS connectivity across India on half yearly basis, which will help interested applicants in proper planning and execution of projects.</p>
5	<p>8.3. For cases covered under Regulation 7.2 of these regulations, the following procedure shall be followed:</p> <p>(a) The entity that has been intimated in-principle grant of Connectivity, shall submit its consent for execution of ATS and terminal</p>	<p>This is to be submitted that as per Clause 8.3 of Draft Reg as issued by Hon'ble CERC for cases where nodal agency after interconnection study determines that Associated Transmission System (ATS) is required, after consent for execution by interested entity, Nodal agency after study will intimate the amount of BG-2 to be paid which will not exceed estimated cost as per Clause 7.2.</p>

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	<p>bay(s), as intimated under Regulation 7.2 of these regulations, along with Conn-BG1, within one month of intimation of in-principle grant of Connectivity, failing which the application for Connectivity shall be closed and application fee shall be forfeited.</p> <p>(b) The Nodal Agency, within 6 (six) months of furnishing of Conn-BG1 as per clause (a) of this Regulation, shall intimate to such entity, (i) amount of Conn-BG2 to be furnished towards ATS and terminal bay(s), which shall not exceed the estimated cost intimated under Regulation 7.2 of these regulations, (ii) the timeline for completion of ATS and terminal bay(s), and (iii) firm date of start of Connectivity:</p>	<p>We wish to submit that for cases where ATS not required Hon'ble Commission has clearly defined the amount of BG to be submitted by interested entity, however for cases where ATS is required no specific amount has been mentioned.</p> <p>In this regard we request Hon'ble Commission to allow withdrawal of application in case additional cost as proposed by CTU in lieu of ATS, does not fit in budget of interested applicant.</p>
6	16.2. Conn-BG2 and Conn-BG3 shall be returned in five equal parts over five years corresponding to the generation capacity which has been declared under commercial operation by the Connectivity grantee.	<p>This is to be submitted that as per Clause 16.2 Conn-BG2 &amp; Conn-BG3 will be returned in five equal parts over five years to entity got connectivity with ISTS.</p> <p>In this regard we wish to submit that typically power plant commissioning can be done within 18 to 24 months, considering the same, returning Conn-BG2 &amp; Conn-BG3 in five equal parts over five years will overburden applicants to ISTS connectivity. We request Hon'ble Commission to return the submitted BG within 2 to 2.5 years, which seems more reasonable.</p>
7	17.1. The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA: (i) State Transmission Utility on behalf of distribution licensees connected to intra-State transmission system and other intra-State entities.	<p>This is to be submitted that Clause 17 of Draft GNA Regulation as proposed by Hon'ble CERC states about eligibility conditions for GNA. As per sub-Clause 17.1 (ii) any buying entity connected with intra-state transmission system are also eligible for GNA to ISTS.</p> <p>We wish to submit that as per above Clause 17.1 it may be interpreted that any buying entity with any load are eligible for GNA to ISTS if it is connected to intra-State transmission network. In this regard we wish to submit that if provisions related to minimum load conditions included for such buying entities, then it will bring more clarity.</p>

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	(ii) <u>A buying entity connected to intra-State transmission system;</u>	We further wish to submit that if buying entity definition included in Draft GNA Regulations then future legal miss interpretation risks may be avoided.
8	17 Eligibility for GNA: - ..... (iii) <u>A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above: ...</u> <u>Provided further that reasonable conditions such as the minimum number of time blocks for which the consumer shall not change the quantum of power consumed through open access may be imposed so as to avoid high variation in demand to be met by the distribution licensee.</u>	<p>This is to be submitted that Clause 17.1 (iii) of Draft GNA Regulations as proposed by Hon'ble CERC, states about eligibility criteria for distribution licensee or a Bulk consumer for getting GNA to ISTS.</p> <p>As per second proviso there may be restrictions imposed on number of time blocks in which exchange of power through open access can be allowed, such restrictions will result in uncertainty among open access stakeholders and should be avoided.</p> <p>As per Clause 17.1 (iii) any bulk consumer if having minimum load of 50 MW or above, are eligible for GNA to ISTS. We believe that with better policy support and promotional regulatory provisions at central level Green Hydrogen can become an impactful solution to decarbonise energy intensive sectors and to achieve India goal of achieving 500GW renewable capacity by 2030.</p> <p>Considering same we request Hon'ble Commission to reduce minimum load limit up to 10 MW or above for getting ISTS connectivity in case of Green Hydrogen projects to promote such technologies.</p>
9	<p>18.1. <u>On the date, these regulations come into force,</u> <u>(a) GNA for a (i) State including intra-State entity(ies) and (ii) other drawee entities, shall be the average of „A“ for the financial years 2018- 19, 2019-20 and 2020-21:</u> <u>where,</u> <u>‘A’ = [0.5 X maximum ISTS drawal in a time block during the year] + [0.5 X [average of [maximum ISTS drawal in a time block in a day] during the year]]</u></p>	<p>This is to be submitted that Clause 18 of Draft GNA Reg as proposed by Hon'ble CERC states about deemed Grant of GNA. Clause 18.1 (a) further elaborates upon methodology for computing GNA which is summation of 50% of average of last three years maximum ISTS drawal in a time block during the year and 50% of average of maximum ISTS drawal in a time block in a day during the year.</p> <p>We wish to submit that mentioned formulae gives equal weightage to maximum ISTS drawal in any time block during a year and maximum ISTS drawal in a time block in a day during a year. We would like to highlight that giving equal weightage to maximum ISTS drawal in any time block in a year, will be unrealistic. As maximum drawal in a year may happens because of many reasons which may depends upon uncontrollable factors like weather conditions, plant outages etc.</p> <p>In this regard, we wish to request Hon'ble Commission to consider 20% weightage for maximum ISTS drawal in any time block during a year and 80% weightage for maximum ISTS drawal in a time block in a day during a year, it will be more empirical.</p>

*A. Singh*

